

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee  
FROM JBC Staff  
DATE January 31, 2018  
SUBJECT Staff Comeback Packet 3 for Wednesday, January 31

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Please find attached the following memorandum for Joint Budget Committee staff comebacks associated with FY 2017-18 supplemental budget requests.

- Corrections (Megan Davisson): Supplemental Status Update
- Revenue Forecast and General Fund Reserve Information Regarding Supplemental Package (John Ziegler)

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members  
 FROM Megan Davisson, JBC Staff (303-866-2062)  
 DATE January 31, 2018  
 SUBJECT Status Update on the Department of Corrections Supplemental Decisions

DEPARTMENT OF CORRECTIONS: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$862,934,388	\$767,386,310	\$39,760,660	\$51,620,128	\$4,167,290	6,246.2
Other legislation	1,805,862	1,805,862	0	0	0	0.8
<b>CURRENT FY 2017-18 APPROPRIATION</b>	<b>\$864,740,250</b>	<b>\$769,192,172</b>	<b>\$39,760,660</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,247.0</b>
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$864,740,250	\$769,192,172	\$39,760,660	\$51,620,128	\$4,167,290	6,247.0
<b>S1A Lease private prison to add 250 beds</b>	<b>4,329,876</b>	<b>4,327,465</b>	<b>2,411</b>	<b>0</b>	<b>0</b>	<b>22.3</b>
S1B External capacity midyear caseload adjustment	5,465,336	6,043,056	(577,720)	0	0	0.0
S1C LaVista Facility food costs	172,514	172,514	0	0	0	0.0
S2 Medical caseload adjustment	2,156,130	2,156,130	0	0	0	0.0
September 1331 Lease private prison	156,317	156,317	0	0	0	0.0
Technical letternote correction	0	0	0	0	0	0.0
NPS1 Annual fleet adjustment	0	0	0	0	0	0.0
<b>RECOMMENDED FY 2017-18 APPROPRIATION</b>	<b>\$877,020,423</b>	<b>\$782,047,654</b>	<b>\$39,185,351</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,269.3</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$12,280,173</b>	<b>\$12,855,482</b>	<b>(\$575,309)</b>	<b>\$0</b>	<b>\$0</b>	<b>22.3</b>
Percentage Change	1.4%	1.7%	(1.4%)	0.0%	0.0%	0.4%
FY 2017-18 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$321,212	\$322,213	(\$1,001)	\$0	\$0	0.0

The Committee has approved all requested changes in the above table **except S1A Lease private prison to add 250 beds.**

The Department's January 16, 2018 supplemental S1 Prison Capacity was broken into three part by JBC Staff – S1A, S1B, S1C. The Department's request states on page 1 "This \$10,474,043 FY 2017-18 supplemental request replaces the interim supplemental request of \$10,607,398, resulting in a net decrease of \$133,355."

Therefore the total amount of the supplemental based on JBC action to date will be an increase of \$7,950,297 total funds, of which \$8,528,017 is an increase in General Fund and \$577,720 is a reduction of cash funds.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members  
FROM Megan Davisson, JBC Staff (303-866-2062)  
DATE January 31, 2018  
SUBJECT Overview of Interim Supplemental Criteria

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### OVERVIEW OF INTERIM SUPPLEMENTAL STATUTORY CRITERIA:

1 24-75-111 (1), C.R.S.

Over expenditures are allowed if:

- The Overexpenditure is necessary due to unforeseen circumstances arising while the General Assembly is not meeting in regular or special session
- Overexpenditure is in regard to an operating budget item and is requested by the Department
- The overexpenditure is approved by the majority vote of the Joint Budget Committee
- The Controller has received written confirmation of such approval from the Joint Budget Committee.

2 24-75-111 (2), C.R.S.

For any overexpenditure approved pursuant to Section 24-75-111 (1), C.R.S.

- The controller shall restrict the corresponding line items in the amount equal to the overexpenditure.
- The restriction shall be made in the fiscal year following the fiscal year for which the overexpenditure is approved.

3 24-75-111 (5), C.R.S.

The Joint Budget Committee shall introduce a supplemental appropriation for the fiscal year in which the overexpenditure occurred for the amount of any overexpenditure occurred for the amount of the overexpenditure allowed pursuant to this section.

If a supplemental appropriation is enacted for the overexpenditure or some portion thereof, the restriction on the succeeding fiscal year's appropriation shall be released in the amount of the supplemental appropriation.

### JOINT RULE 23 GOVERNING LEGISLATIVE DEADLINES

Joint Rule 23 A.1 requires supplementals to be introduced by the 27<sup>th</sup> day of session (February 5) that are recommended by the Joint Budget Committee.

### OPTIONS

- 1 The Committee has revised the September interim supplement to the amount the Department has actually expended \$156,317 General Fund. The Committee can send a letter to the State Controller revising the September 2017 letter. ***Staff recommends the Committee send a letter to the State Controller revising the September 2017 letter to allow for an overexpenditure of \$156,317 General Fund in FY 2017-18.*** With this option the Committee can continue discussions related to prison capacity throughout the figure setting process.
- 2 The Committee can maintain the September approval and introduce a supplemental bill with the amount originally approved in September 2017.

# STATE OF COLORADO

**REPRESENTATIVES**

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DAVE YOUNG  
BOB RANKIN

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KEVIN LUNDBERG  
DOMINICK MORENO

**STAFF DIRECTOR**

JOHN ZIEGLER

JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

January 31, 2018

Mr. Robert Jaros  
State Controller  
Department of Personnel  
1525 Sherman Street, 5<sup>th</sup> Floor  
Denver, CO 80203

Dear Mr. Jaros:

This letter replaces the September 20, 2017 letter sent by the Joint Budget Committee concerning the September approval of \$10,607,398 total funds and 69.8 FTE for FY 2017-18 for the Department of Corrections. Attached is a copy of the September 20, 2017 letter. The Joint Budget Committee has reconsidered their action on the interim supplemental request submitted by the Department of Corrections under the provisions of H.B. 98-1331. This request was previously approved by the Office of State Planning and Budgeting. Pursuant to Section 24-75-111 (1), C.R.S., the Committee authorizes an expenditure of \$156,317 General Fund for the Department of Corrections, Institutions, Superintendents Subprogram, Start-up Costs for FY 2017-18. The Committee's revised authorization is a reduction of \$10,451,081 total funds from the original action. The Committee will sponsor a supplemental appropriations bill during the 2018 legislative session that reflects this change.

JBC APPROVED ADJUSTMENTS TO FY 2017-18 APPROPRIATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
<b>DEPARTMENT OF CORRECTIONS</b>					
(2) Institutions (G) Superintendents Subprogram, Start-up Costs	\$156,317	\$156,317	\$0	\$0	\$0

If you have any questions or concerns, please contact Megan Davisson of our staff at 303-866-2062.

Sincerely,

Representative Millie Hamner, Chair  
Joint Budget Committee

Attachment: September 20, 2017 Letter from the Joint Budget Committee to the State Controller

cc:

Rick Raemisch, Executive Director, Department of Corrections  
Deb Goheen, Budget Director, Department of Corrections

Henry Sobanet, Office of State Planning and Budgeting  
John Ziegler, Staff Director, Joint Budget Committee  
Megan Davisson, Joint Budget Committee Staff

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September 20, 2017

Mr. Robert Jaros  
State Controller  
Department of Personnel  
1525 Sherman Street, 5<sup>th</sup> Floor  
Denver, CO 80203

Dear Mr. Jaros:

The Joint Budget Committee has considered an interim supplemental request submitted by the Department of Corrections under the provisions of H.B. 98-1331. This request was previously approved by the Office of State Planning and Budgeting. Pursuant to Section 24-75-111 (1), C.R.S., the Committee authorizes the expenditures listed in the table below and will sponsor a supplemental appropriations bill during the 2018 legislative session that reflects these changes.

DEPARTMENT OF CORRECTIONS					
JBC APPROVED ADJUSTMENTS TO FY 2017-18 APPROPRIATION					
DIVISION, SUBDIVISION, LINE ITEM	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
(1) Management					
(A) Executive Director's Office Subprogram					
Health, Life, and Dental	552,744	552,744	0	0	0
Short-term Disability	6,744	6,744	0	0	0
Amortization Equalization Disbursement	177,451	177,451	0	0	0
Supplemental Amortization Equalization Disbursement	177,451	177,451	0	0	0
Leased Space	3,500,000	3,500,000	0	0	0
(1) Management					
(C) Inspector General Subprogram					
Personal Services	46,002	46,002	0	0	0
FTE	0.6	0.6	0.0	0.0	0.0
(2) Institutions					
(A) Utilities Subprogram					
Utilities	519,925	519,925	0	0	0
(2) Institutions					
(B) Maintenance Subprogram					
Personal Services	245,141	245,141	0	0	0
FTE	4.1	4.1	0.0	0.0	0.0
Operating Expenses	72,660	72,660	0	0	0
(2) Institutions,					
(C) Housing and Security Subprogram					
Personal Services	1,984,449	1,984,449	0	0	0
FTE	40.8	40.8	0.0	0.0	0.0
Operating Expenses	22,066	22,066	0	0	0

DEPARTMENT OF CORRECTIONS					
JBC APPROVED ADJUSTMENTS TO FY 2017-18 APPROPRIATION					
DIVISION, SUBDIVISION, LINE ITEM	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
(2) Institutions					
(D) Food Service Subprogram					
Personal Services	92,044	92,044	0	0	0
FTE	1.7	1.7	0.0	0.0	0.0
Operating Expenses	190,119	190,119	0	0	0
(2) Institutions					
(E) Medical Services Subprogram					
Personal Services	874,363	874,363	0	0	0
FTE	10.4	10.4	0.0	0.0	0.0
Operating Expenses	18,218	18,218	0	0	0
(2) Institutions					
(F) Laundry Subprogram					
Personal Services	29,668	29,668	0	0	0
FTE	0.6	0.6	0.0	0.0	0.0
Operating Expenses	14,444	14,444	0	0	0
(2) Institutions					
(G) Superintendents Subprogram					
Personal Services	116,490	116,490	0	0	0
FTE	1.8	1.8	0.0	0.0	0.0
Operating Expenses	35,319	35,319	0	0	0
Start-up Costs	1,325,324	1,325,324	0	0	0
(2) Institutions					
(I) Case Management Subprogram					
Personal Services	98,116	98,116	0	0	0
FTE	1.7	1.7	0.0	0.0	0.0
Operating Expenses	463	463	0	0	0
(2) Institutions					
(J) Mental Health Subprogram					
Personal Services	129,487	129,487	0	0	0
FTE	1.7	1.7	0.0	0.0	0.0
Operating Expenses	1,103	1,103	0	0	0
(2) Institutions					
(K) Inmate Pay					
Inmate Pay Subprogram	22,698	22,698	0	0	0
(3) Support Services					
(F) Training Subprogram					
Personal Services	32,706	32,706	0	0	0
FTE	0.6	0.6	0.0	0.0	0.0
Operating Expenses	685	685	0	0	0
(4) Inmate Programs,					
(A) Labor Subprogram					
Operating Expenses	846	846	0	0	0
(4) Inmate Programs					
(B) Education Subprogram					
Personal Services	138,225	138,225	0	0	0
FTE	2.3	2.3	0.0	0.0	0.0
Operating Expenses	7,700	0	7,700	0	0
(4) Inmate Programs					
(C) Recreation Subprogram					
Personal Services	107,682	107,682	0	0	0
FTE	2.3	2.3	0.0	0.0	0.0
Operating Expenses	740	0	740	0	0
(4) Inmate Programs					
(D) Drug and Alcohol Treatment Subprogram					
Personal Services	34,181	34,181	0	0	0
FTE	0.6	0.6	0.0	0.0	0.0
(5) Community Services					
(B) Community Supervision Subprogram					
Personal Services	32,144	32,144	0	0	0
FTE	0.6	0.6	0.0	0.0	0.0
TOTAL	10,607,398	10,598,958	8,440	0	0
TOTAL FTE	69.8				

If you have any questions or concerns, please contact Megan Davisson of our staff at 303-866-2062.

Sincerely,

Senator Kent Lambert, Chair  
Joint Budget Committee

Attachment: Letter from Capital Development Committee

cc:

Rick Raemisch, Executive Director, Department of Corrections  
Deb Goheen, Budget Director, Department of Corrections  
Henry Sobanet, Office of State Planning and Budgeting  
John Ziegler, Staff Director, Joint Budget Committee  
Megan Davisson, Joint Budget Committee Staff



# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM John Ziegler, JBC Staff (X4956)  
DATE January 31, 2018  
SUBJECT Revenue Forecast and General Fund Reserve Information Regarding Supplemental Package

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The Supplemental Package will include a General Fund Overview that reflects the General Fund position based on the supplemental actions the Joint Budget Committee (JBC) has taken for the introduced package of bills. In past years, the JBC has dealt with the final balancing of the current fiscal year during the finalization of the Long Bill. This allows for decisions to be made based on the most current information available after the March Revenue forecasts have been published by Legislative Council Staff and the Office of State Planning and Budgeting. In some years, this results in a General Fund shortfall compared to the statutory requirement to be reflected on the General Fund Overview in the supplemental package. As an example, last January, the General Fund Overview contained a General Fund shortfall compared to the statutory requirement of \$190.9 million. The General Fund Overview contained the following footnote to advise the General Assembly of the JBC's intentions with regard to the shortfall:

“Reflects the reserve shortfall compared to the statutory requirement. The JBC will make a final recommendation addressing the statutory reserve after the March 2017 revenue forecasts are released.”

In order to prepare the General Fund Overview for the FY 2017-18 Supplemental Package, staff recommends the JBC:

1. Utilize the Legislative Council Staff December Revenue forecast, adjusted for the federal Tax Cuts and Jobs Act (Table 2, Page 9 of the forecast), as the basis for the General Fund Overview.
2. Include a footnote advising the General Assembly that the final recommendation addressing the statutory reserve will be made with the Long Bill in March.
3. Add a bill to the JBC bill list to address the statutory reserve requirements to help address midyear change issues and provide JBC staff permission to work with Legal Services staff to draft language to present to the Committee at figure setting based on this change. ***This component of the recommendation would require a unanimous vote of JBC.***